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**Charge d’Affaires Daniel A. Clune  
Remarks to the Australian-American Association’s  
Federal Conference  
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Thank you for that very gracious introduction. About thirty years ago, when I was a recently-married, young lawyer in Chicago, I ran across an advertisement in The Economist magazine for a position as a law professor at the University of Tasmania. I was very excited about the idea of applying for the job and moving here, but my wife Judy wasn’t quite ready to move halfway across the world with a two-year old baby (who’s now a law professor herself). Since that time, we’ve joined the Foreign Service and moved around the world many times, and it gives both of us great pleasure to finally get to your beautiful island so many years later.

It also gives us great pleasure to be here tonight with the Australian-American Association, which has done so much to promote the outstanding relationship between Australia and the United States. I came to know the

AAA shortly after my arrival in Australia through the many Coral Sea Memorial Services and commemorative events. From July 4th barbecues to events surrounding U.S. naval ship visits, your work reiterates our shared values and common history. On behalf of the U.S. Government, I thank all of you who volunteer your time, and I thank the AAA as a whole for its continued support.

The United States and Australia have been close allies for generations. In that time, we've taken on a range of challenges, from combating fascism to fostering free trade to maintaining stability in East Asia. It has always been valuable to work together, to bounce ideas off each other and support good policymaking to address these global challenges. This is definitely true when it comes to dealing with one of the most significant global challenges facing us, and that is climate change. How the U.S. and Australia collaborate to deal with climate change will affect our relationship and our places in the region, so where we are and where we are headed on this issue are important to the overall relationship.

I think it is fair to say that the science on climate has become much clearer in the past five years, and the best science now tells us overwhelmingly that human activity is affecting our climate, and will for centuries to come. This has been accepted globally by governments and international organizations from APEC to the WTO. Australia's own researchers have done groundbreaking work that has changed the policy environment. The global response to this challenge will shape the future of the world economy and the condition of our environment for centuries. At the same time, the global economy, and the benefits it brings, is underpinned by access to energy and energy resources. We can't expect significant economic development to occur where there is no energy to power it. So the challenges are clear – create opportunities to power development while keeping that growth from adding to the atmospheric pollutants that are changing the climate.

So, how do we balance those challenges? Well, first we look at this as a global challenge that requires a global response. As President Bush said two weeks ago in Washington, "No one country has all the answers, including mine. The best way to tackle this problem is to think creatively and to learn from other's experiences and to come together on a way to achieve the objectives we share." There are numerous recent examples of how that collaboration is accelerating.

This year, Prime Minister Howard, with our support, worked hard to get Climate Change commitments into the APEC Leaders' Summit, resulting in the Sydney Declaration in September. For the first time, all 21 APEC economies have agreed that a global approach is necessary to address climate change and that certain fundamental principles provide the foundation for determining remedial action plans by each economy to address this shared responsibility according to the individual circumstances of each. This recognition of responsibility by both developed and developing economies is a huge step that would have been unimaginable six months ago, and reflects well on the hard diplomatic work Australia has put in.

Equally important, but an aspect that has received relatively little attention, was the portion of the Sydney Declaration on deforestation, an activity that contributes 20% of global carbon emissions. APEC leaders accepted a common responsibility to work toward a net increase in overall forest cover by monitoring, preserving, and expanding existing and new forest cover, and the leaders set a target of increasing forest cover in APEC economies by 20 million hectares - an area three times bigger than Tasmania - by 2020. It's interesting to note that the Kyoto Protocol ignored deforestation completely. The failure even to mention deforestation was intentional because it was considered to be too difficult to address given the demand for wood products and arable land. Through Australia's leadership at APEC, deforestation has now been taken out of the "too hard basket" and placed on the table for action.

Two weeks ago in Washington, Secretary Rice convened the first Major Economies Meeting on Energy Security and Climate Change. This initiative, announced by President Bush in May and welcomed by all G-8 members, seeks to work with all of the world's largest users of energy and largest producers of greenhouse gas emissions, including both developed and developing nations, to establish a new international approach on energy security and climate change in 2008. This approach will then contribute to a global agreement on an aspirational goal by 2009 under the UN Framework Convention on Climate Change.

At the meeting, the President called on heads of state to convene by next summer to finalize a long-term goal for reducing global greenhouse gas emissions and to establish strong and transparent systems for measuring progress. Australia has joined in working towards that goal.

The President acknowledged that each nation, including Australia, should design its own separate strategies for making progress toward achieving this long-term goal. These strategies must be environmentally effective and measurable and reflect each country's different energy resources, different stages of development, and different economic needs.

The President proposed the creation of a new international clean technology fund to help developing nations harness the power of clean energy technologies. This fund – coordinated by U.S. Treasury Secretary Hank Paulson - will help finance clean energy projects in the developing world.

Trade in clean technology will be critical to this effort. Today, the United States, Japan and Europe fund most research and development of clean energy technologies. Those technologies need to get to the developing world, so we will push strongly for nations to make clean energy technologies more widely available by eliminating tariff and non-tariff barriers on clean energy goods and services.

The Ministerial for the Asia-Pacific Partnership on Clean Development and Climate is coming up later this month in New Delhi. Australia is a driving force in this group, which brings together the member states' leaders in science and industry to develop and share solutions that reduce emissions. The six working groups now have under way over 100 demonstration projects and are providing real-world, near-term ways to reduce emissions and foster new economic opportunities. Canada has recently been welcomed as the latest addition to the group.

The next major step is the 13<sup>th</sup> Conference of Parties to the UN Framework Convention on Climate Change in Bali in December. The common understandings we've reached at the G-8, at APEC, and the Major Economies Meeting, will help guide the discussions in Bali. The outcome will be a negotiation process that leads to the global consensus we all realize is needed to develop a post-2012 climate change framework. The U.S. is committed to working with the UN, and we've restated our position that the UNFCCC is the most important instrument for addressing climate change.

Rising awareness of the problem has led to an unprecedented push for better international cooperation. But the U.S. has also taken steps at home to reduce our own greenhouse gas emissions. In fact, we reduced our total

carbon emissions last year by 1.3% at the same time that our economy grew more than 3%. We've mandated that U.S. drivers will consume 20% less petrol in 10 years, and have spent \$18 billion since 2001 to develop cleaner and more efficient energy technologies. We've increased funding for solar energy 300 percent and spent tens of billions of dollars to protect our own forests and also assist other countries in stopping deforestation and rehabilitating deforested areas.

While all this is just the beginning, and a great challenge still faces us, it is a great deal of good news. The U.S. and other developed nations, like Australia, have all agreed that we need to slow, stop, and reverse carbon emissions. We've agreed that all countries should join in an aspirational goal to achieve this. At the same time, we have agreed that we will not condemn to poverty billions around the world by denying them the economic growth and access to energy that creates wealth.

So these choices are going to be hard choices. Balancing growth and environmental management is going to be tough, whether it's in China, the U.S., Europe, Africa, or here in Tasmania. Both government and commercial sectors need to avoid simply off-shoring our emissions into the developing world. If that happens, then all the emissions reductions in the U.S., Japan and Europe won't make a degree of difference in future temperature rises.

So we know what we need to do. What are the major stumbling blocks? The first is obviously cost. We're going to need, according to some forecasts, more than \$20 trillion dollars worth of investment in today's dirty technologies by 2050 just to meet projected energy growth demand, and clean technologies will cost even more. To reduce global emissions by 50% by 2050, we'll have to reduce projected carbon emissions by 26 gigatons per year. To cut a single gigaton of carbon, we would need to build 273 "zero emission" coal plants, or 1,000 carbon sequestration projects like the one in Norway, or double the fuel efficiency of 273 million cars. We'd need to build 1 million new wind generators. So you can see the political will and initiative needed to do this will be significant. We'll also have to have business on board. All the goodwill in the world won't buy a clean coal power plant. But if such technologies are seen by our colleagues in the private sector as a sound investment, financially as well as morally, then the capital will follow.

These choices matter to you as Australians because the CSIRO has just forecast that Australia will likely get hotter and drier, with droughts threatening not only agriculture and tourism but the basic economic well-being you now enjoy. They matter regionally because China wants to continue to raise its 1.3 billion people out of poverty, and it needs energy and clean water to do it. Indonesia and Mainland SE Asia nations need to protect their forests, and prevent environmental collapse that could send people looking for refuge elsewhere, including Australia. These choices matter to governments in the developed world because stability is a key to economic growth and development, and because a hotter, less stable world will put increasing demands on foreign assistance and international security systems. They matter to us because if we want our children to enjoy the safety and wealth that we've known, we have to meet these challenges.

I'm hopeful that the work now getting underway, here in Australia, in Washington, in Bali, in New Delhi, and in Beijing will be up to the task. This is a generational challenge that no country will be able to address on its own. There is no magic bullet to fix this problem, and every nation matters. You will be stakeholders in finding the balanced path to a lower carbon future. Secretary Rice pointed out the opportunity presented to us here when she said "As we work together...to reduce emissions and develop new technologies to move us beyond fossil fuels -- let us approach climate change not simply as a looming future threat, but as a present opportunity to work together, a chance to design a better and more sustainable approach to fuel human development, a chance to lift millions of people out of poverty and into the promise of the global economy and a chance to protect and preserve our natural world -- not only for future generations, but also for those of us who are now living."

I for one agree with that and I hope you do too.